

NOW

The murals along the boarded-up ground level of the Hugo Apartments get changed every so often. These two sections of the east side of the building show almost the same spot, 2½ years apart. Now was shot March 29 and Then graced the cover of *The Extra*, Issue No. 29, in October 2003.

THEN

PHOTOS BY LENNY LIMJOCO

Eminent domain urged as owner holds out for more money

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story building's cartoon-like appendages for a chuckle, the Hugo is no laughing matter to SOM-PAC. The committee voted 8-1 at its March meeting to urge Redevelopment to buy the Hugo. The hollow-eyed structure looms over an intersection where palm trees now grow on recently widened sidewalks illuminated by bright new streetlights, the latest agency improvements for the Sixth Street Corridor.

Redevelopment has an expanded role for the area, roughly bounded by Harrison, Fifth, Seventh, and at its jagged northern boundary, Stevenson, Mission and Natoma. The agency's mission since 1990 has been to repair Loma Prieta earthquake damage in the area. It didn't have all the tools usually given to a Redevelopment area. That changed when the Board of Supervisors passed an amendment on Dec. 6 giving the agency full powers for a redevelopment project to address blight, incur more debt, create housing and use eminent domain.

Since 1996, SOMPAC slaved over the amendment. "We went around and around for years," says Marcia Ban, SOMPAC director. "There were financial and blight reports, the EIR, which was a long process, and the many, many documents that were required. And they worked on the language for eminent domain. It took a terribly long time."

SOMPAC wanted to battle the kind of blight the Hugo represents in the neighborhood. It's not just that Defenestration is deteriorating — the Department of Building Inspection got a complaint last year that it was hazardous. The longer the building is empty and unattended, the sadder it looks, the more windows are broken — DBI got a complaint about that last year, too — and more graffiti goes up.

"We passed a plan with this site in mind," said SOMPAC member Charles Range, SoMa Health Center's executive director, before the vote. "No one can deal with the owners. We've tried and tried. We even had (the owner) bring in an advertisement of what he'd take. But the price is so far out of range. We've been going through this for nine years, so why not take some action now."

The asking price two years ago was \$4 million for the 32,000-square-foot building, according to a Nov. 11, 2003, story in the Chronicle. The reporter interviewed Varsha Patel, daughter of David Patel, identified as the aging owner, who said he bought the property in 1964.

Assessor records show that the Hugo ownership among the Patels changed in 1998 when I.M. and Sumatai Patel turned it over to Branch Limited Partnership of Hillsborough, where Varsha Patel lives. The partnership owners were listed as Shataben and Ichharambai Patel. The latest assessor's valuation was \$400,589, quite low for the property even if the building is worth nothing.

Redevelopment paid \$1.8 million in 2000 for the lot diagonally across from it, then built the much-praised eight-story Plaza SRO that opened in March with 106 units.

"We've had discussions with the (Hugo) owner," said Mike Grisso, Redevelopment's South of Market project manager and liaison to SOMPAC. "They wanted a lot more than we thought the property was worth. That was a couple of years ago."

In September 2003, Redevelopment's project engineer for South of Market, Bill Carney, told *The Extra* that if the amendment passed there would be

a "limited range of properties" that could be acquired by eminent domain. It would be a last resort if owners refused to redevelop. "The Hugo Hotel is an example of a blighted structure," he said. "We'd like to see it productive."

The amendment approved by the Board of Supervisors allows the Redevelopment Agency to incur debt over an additional 10 years, strengthening its purchasing power, and says it can use eminent domain if owners don't address their blight or negotiate a fair market sale. The SOMPAC amendment advises the agency: Do it now.

Varsha Patel told the Chronicle her father, who owns among other properties the Ramada Limited at 240 Seventh St., grew wary of crackheads and feared for his safety in and around his own building. She said he wanted to develop the Hugo but didn't. Repeated efforts by *The Extra* to interview the Patels were the ignored. But what Varsha Patel told Chronicle reporter Carol Lloyd in 2003 could

SOUTHSIDE

be the same story today. Because little has changed — yet.

The Patels appear to be holding out for a Planning Department change that would boost the property value. Their 10,000-square-foot corner lot is zoned for a maximum height of 50 feet while the other three corners at Sixth and Howard are zoned for 85 feet, an allowance Redevelopment used when it replaced a two-story structure by building the Plaza. The Patels apparently believe their restriction is unfair.

"They say we haven't been cooperative," Varsha Patel told the Chronicle. "But I say, give me the height."

City Planning's East SoMa Plan would do that. A report in February, the latest from the Eastern Neighborhoods Community Planning Process, would rezone the Patels' southwest corner for 85 feet and increase its value. Insiders expect the plan to be adopted next February.

For Redevelopment to plow through the red tape to claim the Hugo with eminent domain before then seems as unlikely as Redevelopment's buying it this year, one committee member said.

"If the owner is willing to sell and we're willing to buy, we can move very fast," says Grisso. "So far, that's not been the case."

The Hugo was closed in 1987 after a fire, according to a Central City SRO Collaborative report. But a SOMPAC member, who says he knows the Patel family, says it wasn't until after the 1989 Loma Prieta earthquake. Then it was gutted years later during seismic work. It was vacant for sure when Goggin launched his welcome, surrealistic touch on San Francisco's scab-

rous skid row.

But in recent years the neighborhood has changed its face, though it still struggles with its tough, crime-pocked complexion. Major change since January 2003 has come through the nonprofit Urban Solutions' Six on Sixth plan that offers businesses improvement loans through Redevelopment. Besides physical street changes, some area businesses have lost ugly wrinkles by using the loans for face-lifts.

An example is a half-block north of the Hugo. The Alder Hotel, a dismal SRO dump for years, got loans to upgrade its electrical system and renovated, painted and opened its boarded-up ground floor for attractive commercial rental space.

Encouraged by the trend, Raman Patel, no relation to the Hugo owner, spent \$1.5 million renovating the hotel he bought in 1992 next door to the Hugo at 1011 Howard. Patel added a story to make the oddly named Rayman Hotel four stories. It houses 85 formerly homeless seniors in the Mayor's Housing First program.

If the Hugo's owner rejects a reasonable offer from Redevelopment, the property becomes a candidate for eminent domain because the building is vacant, dilapidated and the owner has failed over many years to correct it. But Grisso cautions that the committee action is advisory, not a directive, which Redevelopment could ignore. If it didn't, the agency would need Redevelopment Commission approval to use eminent domain.

The Hugo is also more than a platform for Defenestration. It's a showcase for dozens of colorful and often amusing murals painted on its Howard and Sixth sides at sidewalk level.

"It's an icon in the artist community," committee member David Wilbur said. "I'd like the PAC to make sure it stays the center of the artistic legacy of the building." ■

This story is part of Central City Extra's expanded regular coverage of South of Market issues, people and concerns. The Extra's Community Calendar also includes items of interest in SoMa. We have assumed the community news responsibilities of the Southside Newsletter, a project funded by the Kosbland Committee of the San Francisco Foundation.



Defenestration seems to turn the Hugo Apartments inside out.